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SECURITY INFORMATION

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6 September 1952

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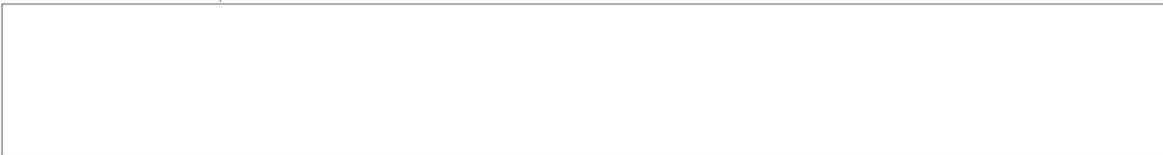
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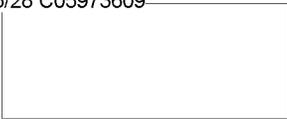


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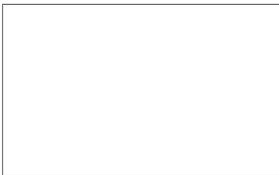


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FAR EAST

3.3(h)(2)

1. North Korean Government concerned over civilian morale:

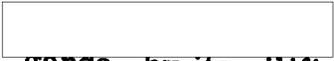


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the concentrated UN air attacks on North Korea brought a North Korean request for a greater air defense commitment from the Chinese, in order to prevent a complete collapse of civilian morale. The Chinese refused, arguing that the UN's real target was Manchuria. They agreed, however, to a joint approach to the USSR for additional aircraft.

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Comment:

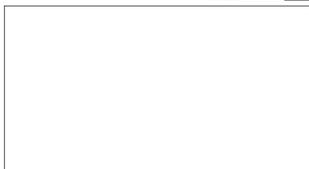


intensified bombing on civilian morale. Enemy propaganda, by its vilification of the attacks, had previously indicated some degree of effectiveness.

SOUTHEAST ASIA

3.3(h)(2)

2. Communist-led revolt in Indonesia reportedly scheduled for 7 October:



3.3(h)(2)

a Communist-led coalition of leftist, militant Moslem, and Indonesian Army elements have planned a "united revolutionary action" to overthrow the Indonesian Government. The rebellion is scheduled to begin 7 October in Sumatra and Java.

Guerrilla warfare will be waged in Sumatra to pin down Indonesian troops and to disrupt the economy and communications, while the main effort will be on Java. An attempt will be made to seize key government officials in the initial stages of action.

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Comment: Indonesian guerrilla forces in Java have shown increased strength and coordination during the past six months, but do not appear capable of a sustained military campaign. There is no evidence that a significant number of Indonesian Army forces have defected or will defect to the Communists or militant Moslems.

The Indonesian Government is believed capable of suppressing the predicted attack.

NEAR EAST - AFRICA

3.3(h)(2)

3. France urges common Western policy on Egyptian title issue:

 The French Foreign Ministry believes that the Western nations should adopt a common policy in preparing new credentials for their diplomatic representatives in Cairo. It points out that Egypt established a precedent last month when it accepted the British Ambassador's credentials addressed to "King Fuad II."

The British credentials, the Foreign Office notes, satisfactorily avoided the delicate Sudan issue by not mentioning the title. France fears that acceptance of the title by the Netherlands may be used by General Nagib's opponents to discredit the Egyptian Government's compromise with Britain.

Comment: A common Western policy of avoiding recognition of the Sudan title appears to be impossible now. The Netherlands, Pakistan, Greece, and India have already recognized the title, and Italy may soon follow suit.

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4. French alarmed over implied American support of Tunisian nationalists:

[REDACTED] The Acting French Resident General in Tunis^{3.3(h)(2)} has expressed grave concern over an alleged statement by UN delegate Gross that the United States hopes the "consultations between France and the true representatives of the Tunisian people will result in an agreement prior to the UN General Assembly."

The Resident General stated that the Neo-Destour Party will interpret the word "true" as full American backing for their thesis that Baccouche is not a Tunisian representative.

Comment: France may now request clarification of the alleged statement in the hope that an American reply might indicate more positive support for the French position.

In a UN information program on 1 September Ambassador Gross stated that the United States hoped Tunisian difficulties might be solved by "fair and friendly consultations between the French and the Tunisians -- by that I mean representative Tunisians."

EASTERN EUROPE

5. Bulgarian Premier reportedly liquidated:

3.3(h)(2)

[REDACTED] Premier Vulko Chervenkov has allegedly been liquidated and will probably be replaced by Vice Premier Ivan Mikhailov or Vice Premier Georgi Chankov. [REDACTED]

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Chervenkov has not been seen at any public function since 2 July. [REDACTED] his removal may be related to a Bulgarian inspection trip reportedly made by Beria and Vyshinsky in June. 3.3(h)(2)

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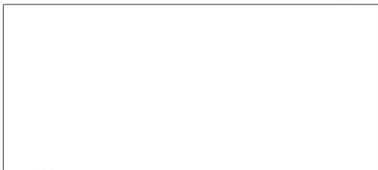
Comment: There is no evidence to support



that Chervenkov has been purged. The Bulgarian Premier took active part in the regional conference of the Bulgarian Communist Party held at Stalin on 10 August, and he has been eulogized in numerous recent public pronouncements, including the official slogans for the Liberation Day celebration on 9 September.

WESTERN EUROPE

6. France seeks three-power MEDO Standing Group:



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France wants a Middle East Defense Organization Standing Group composed of the United States, Britain, and France, as in NATO, according to preliminary Foreign Ministry views. The French hold that their agreement last year to support Turkey's NATO membership and to join in the first approach to Egypt on the so-called Middle East Command was based on a definite three-power understanding of this Standing Group concept.

The French oppose any approach to the Arab states until the establishment of MEDO is announced. The Foreign Ministry still desires an early tripartite meeting in London on MEDO.

Comment: The preliminary British MEDO draft makes no provision for a Standing Group at this stage. The French, who have no forces to contribute at present, see the Standing Group concept as their only means of retaining any top-level control.

7. Western powers vulnerable on Austrian occupation costs:



American officials in Vienna believe that the perennial question of occupation cost payments may be particularly difficult this year.

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Although not too burdensome on the Austrian economy, the reimbursement of Allied expenses has become "an emotional question" which may be further exacerbated in the coming election campaign.

These officials note that in 1950 and 1951 the Russians were prepared to accept a lower figure than either the British or French. Should the USSR extend its new "liberal" Austrian policy to the question of occupation costs, the Western powers would be placed in an awkward position.

Comment: The right-wing opposition in Austria has already indicated that Western occupation policies will be exploited to the full in the next elections, and the Socialist Vice-Chancellor has urged some alleviation of the occupation burden if no state treaty is forthcoming.

The Russians can be expected to use every opportunity to make political capital of British and French demands.

8. West German Socialist forecasts ratification of treaties:



Carlo Schmid, a leader of the opposition Social Democratic Party and chairman of the Foreign Affairs Committee now considering the Bonn and Paris treaties, believes that

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final Bundestag action cannot be completed before early November, but that ratification is certain. Since he did not mention his party's case against the constitutionality of the treaties during his talk with American officials, he apparently assumes that Chancellor Adenauer will win on this issue as well.

Neither the Bonn coalition parties nor the Cabinet have yet seriously discussed the timetable for ratification. Adenauer and his party continue to favor speedy action, but the minor coalition parties, dissatisfied over the war criminal and Saar issues, are showing less eagerness.

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